

## Message Text

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17

ACTION EB-11

INFO OCT-01 EUR-25 NEA-14 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-03 COME-00 DODE-00 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 FEA-02 PA-04

PRS-01 USIA-15 DRC-01 /193 W

----- 069418

R 080945Z SEP 74

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 2012

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

CONFIDENTIAL ABU DHABI 1215

E.O. 11652: GDS

TAGS: ENRG, TC

SUBJECT: ABU DHABI'S NEW PARTICIPATION AGREEMENT

REF: A. LONDON 11454; B. ABU DHABI 1196 (BOTH NOTAL)

KUWAIT ALSO PASS DOHA AND MUSCAT

1. IN LIGHT INFORMATION ON NEW PARTICIPATION AGREEMENT  
OBTAINED BY AMBASSADOR STERNER FROM IPC MANAGING DIRECTOR  
(REF A) WHICH SLIGHTLY AT VARIANCE WITH OUR PREVIOUS  
REPORT ON SAME SUBJECT (REF B), I AGAIN CONTACTED ALAN  
TURNER, GENERAL MANAGER, ABU DHABI PETROLEUM CO. (ADPC).  
HE CONFIRMED THAT, CONTRARY TO WHAT HE HAD ORIGINALLY TOLD  
ME, ADPC HAD AGREED TO PRICE OF 94.8 PERCENT OF POSTED FOR  
MONTH OF JUNE WITH 94 PERCENT BEING PRICE FOR FIRST  
FIVE MONTHS OF YEAR. (CONFUSTION AROSE BECAUSE AGREEMENT  
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ACTUALLY EXPRESSED IN TERMS OF SINGLE PRICE PER BARREL

FOR FIRST SIX MONTHS, WITH THAT PRICE BEING WEIGHTED AVERAGE OF 94 FOR FIVE MONTHS AND 94.8 FOR ONE. ADD TO THAT THE FACT THAT WHEN HE TALKED TO ME, TURNER HAD ONLY FOUR HOURS SLEEP AFTER LATE SIGNING OF AGREEMENT PREVIOUS EVENING, AND SLIP UNDERSTANDABLE.)

2. AS FOR CONTINUATION OF TALKS IN LONDON, IT CLEARLY WOULDN'T HAVE TAKEN MUCH PERSUASION ON SHAIKH ZAYID'S PART TO CONVINCE OTAIBA TO TRY AGAIN FOR GREATER PURCHASE COMMITMENT FROM ADPC. AS OTAIBA SAID TO ME, HE FELT ONLY ALTERNATIVE TO INCREASED ADPC PURCHASES WOULD BE CUT IN PRODUCTION. KEY QUESTION IS WHETHER ZAYID INTRODUCED GREATER DEGREE OF FLEXIBILITY IN ADG POSITION ON PRICES THEN EVIDENCED IN ADG-ADPC NEGOTIATIONS HERE--AND IN OTAIBA'S APPEAL TO ME (REF B).

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, SALES, PETROLEUM, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ABUDH01215  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740249-0913  
**From:** ABU DHABI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740965/aaaacdcty.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** A. LONDON 11454; B. ABU DHABI 1196 (, BOTH NOTAL)  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 JUN 2002 by cunninfx>; APPROVED <05 MAR 2003 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ABU DHABI'S NEW PARTICIPATION AGREEMENT  
**TAGS:** ENRG, TC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005